



Alabama Clean Water and Drinking Water State Revolving Fund Programs

Alabama Department of Environmental Management Permits & Services Division

What is the State Revolving Fund?

The Clean Water State Revolving Fund (CWSRF) and the Drinking Water State Revolving Fund (DWSRF) are low interest loan programs intended to finance public water and wastewater infrastructure improvements in Alabama.

The Alabama Department of Environmental Management (ADEM) administers the CWSRF and DWSRF, performs the required technical/environmental reviews of projects, and disburses funds to recipients.

What are the benefits of an SRF loan?

Among the many benefits of the SRF are:

- The SRF has a loan interest rate 1-1.5% less than the prevailing municipal bond rate available to "AAA" rated municipalities;
- Fixed interest rate with a 20-year payback;
- Loan repayment does not begin until construction completion date (capitalized interest accrues);
- The loan recipient is not required to pay any trustee expenses or rebate consultant fees normally associated with a local bond issue; and,
- There are no closing costs.

What projects qualify for funding?

Projects that strengthen compliance with Federal and State regulations and/or enhance protection of public health are eligible for consideration to receive an SRF loan. If a project qualifies, the engineering, inspection, and construction costs are eligible for reimbursement. Among the projects that qualify for funding are:

- Publicly owned water or wastewater treatment works;
- Sewer rehabilitation;
- Interceptors, collectors, and pumping stations;
- Drinking water storage facilities;
- New/rehabilitated water source wells; and,
- Water transmission/distribution mains.

Drinking water projects that are primarily intended to serve future growth are not eligible.

Applicants are required to provide detailed financial information and audits, along with sufficient engineering/environmental information to clear an environmental review process.

Construction procurement is reviewed and approved by ADEM prior to award of contracts.

Who can apply for an SRF loan?

Any local governmental unit, including water boards and authorities, may apply for SRF financing. An ability to repay must be substantiated along with meeting other specified standards.

How does my organization apply?

To apply for an SRF loan, a pre-application must be submitted to the Department by December 31st in order to be placed on the eligibility list to be considered for funding the following year. Applicants whose projects are selected from the list for funding must submit a full application by the following May 1st. SRF loans are finalized and funds made available typically in the fall.

For more information on the Alabama SRF program or to receive an application package, please call or write:

SRF and Operator Certification Section

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